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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF
AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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A SEASON MORE PROFITABLE FOR SOME THAN OTHERS

Sentiment, as the financial writers often say, is mixed. The South and East are in better frame of mind than the West.

The crop outlook is good, on the whole. The great feed crops, hay, corn and oats, appear to be fairly ample. Corn still has quite a way to go before harvest; but haying is well along and oats are assured, though some areas show rather light grain and short straw. A material increase in grain sorghums over last year will make more feed in the Southwest.

The important money crops, wheat, cotton, potatoes and fruit, promise well, though none but cotton will apparently quite equal last year's production.

The Corn Belt situation is just reversed from last year when hog prices were relatively high and corn low. There are a lot of hogs on the farms and, judging from indications, more to come. The present corn-hog relationship brings little advantage to farmers as a group. The corn crop is not sold to the urban community. Most of it is sold finally to other farmers and the dollars that go into the corn grower's pocket mostly come out of the hog, cattle and other livestock feeders. High priced corn in itself mainly adds to the cost of producing animal products.

The Wheat Belt is the sore spot this summer. World wheat supply and demand have been closely balanced for two years; just now the weight appears slightly on the supply side. With the present course of prices it is not strange that wheat producers are discouraged nor that they are giving ear to unusual proposals which promise aid. However, men are not lacking in the Belt who realize that world-wide readjustment in wheat seems inevitable. The far-sighted men are already carefully gauging next year's production costs and are preparing to meet the competition of the world's cheaper lands and labor - or else to grow something other than wheat.

Certain uneasy undercurrents are playing their part in the agricultural situation as a whole. It is not an easy season. The weather has been harassing. Labor is scarce. Everywhere women are helping in the fields. But the most general and deadly handicap is that disparity which persists between prices of things that farmers have to sell and those they must buy. That matter is still the very root of such agricultural disturbance as exists.

REGIONS AT A GLANCE

THE EAST - Busy with haying and small grain harvest. Suffered from very dry weather. However, hay turned out better than expected in some areas. Fruit outlook fair. Labor scarce and many women can be seen helping in the fields.

THE SOUTH - Still optimistic. Cotton generally doing fairly well. Some concern over dry weather in Texas. The territory west of the River is a big factor in cotton. Labor scarce in places but the work seems to be getting done somehow.

CORN BELT - In full rush of late haying and small grain harvest. Oats short in places but crops in general look good. Some leading farmers disturbed over situation of low-priced hogs and high corn, but the price of corn has inspired optimism, on the whole.

WHEAT BELT - Least optimistic of the great crop regions. Wheat a fairly good crop but course of prices very discouraging to growers. Harvest in full swing in Northwest. Canadian harvest also begun and said to be good crop.

RANGE COUNTRY - Conditions better in the North than South. However, good showers in Southwest recently have improved range. Wool clips moving slowly. Fat cattle moving to market in Oklahoma and southeast Texas; Nebraska movement from range below last year.

PACIFIC COAST - Wheat harvest well along, some damage to grain in Oregon from heavy rains. Thrashing barley. Large apple crop promised in Washington.

CROP PRODUCTION

The following shows production of important crops in 1913, war-time average, last year, and estimates for this year. Compiled by Division of Crop and Live-Stock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

<u>Crop</u>	<u>1913 Production</u>	<u>1917-1921 Average</u>	<u>1922 Production</u>	<u>1923 July Estimate</u>	<u>Year's Trend</u>
Wheat, bu.					
Winter	523	590	586	586	Same
Spring	240	245	276	235	Decrease
All	763	835	862	821	Decrease
Corn, bu.	2,447	2,931	2,891	2,877	Decrease
Oats, bu.	1,122	1,378	1,201	1,284	Increase
Barley, bu.	178	192	186	198	Increase
Rye, bu.	41	70	95	69	Decrease
Cotton, bales	14.1	11.2	9.76	11.4	Increase
Potatoes, bu.	332	388	451	382	Decrease
Hay, all, tons	64	99	113	99	Decrease
Apples, bu.	145	160	201	189	Decrease
Peaches, bu.	40	43	57	48	Decrease
Flax, bu.	18	10	12	18	Increase
Beans, bu.	--	13	12	15	Increase
Tobacco, lbs.	954	1,361	1,325	1,425	Increase
Grain sorghums, bu.	---	103	90	125	Increase

In the main, crop prospects are fairly good and condition improved since earlier months. The average of crop condition on July 1 was slightly (3.6%) below the ten year average.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending July 1, 1923.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Live-Stock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available month.

	June <u>1913</u>	June <u>1922</u>	May <u>1923</u>	June <u>1923</u>
Cotton, per lb.	¢ 11.6	20.4	25.6	26.2
Corn, per bu.	¢ 63.2	62.2	85.0	86.5
Wheat, per bu.	¢ 81.4	102.6	106.6	95.1
Hay, per ton	\$ 10.47	11.91	12.95	11.69
Potatoes, per bu.	¢ 49.8	103.3	76.6	83.1
Oats, per bu.	¢ 37.7	37.3	44.9	42.5
Apples, per bu.	¢ 93.6	199.3	173.9	182.1
Beef cattle, per 100 lbs.	\$ 6.02	5.84	5.77	5.82
Hogs, per 100 lbs.	\$ 7.61	9.11	7.13	6.37
Eggs, per dozen	¢ 17.0	20.4	21.8	20.9
Butter, per lb.	¢ 24.7	32.7	38.5	37.3
Wool, per lb.	¢ 15.6	32.8	41.7	41.5
Veal calves, per 100 lbs.	\$ 7.53	7.67	7.69	7.66
Lambs, per 100 lbs.	\$ 6.36	9.87	11.00	10.72

The general price trend of important crops was about stationary. Cotton, corn and potatoes advanced, while hay and wheat declined.

Livestock prices were mainly characterized by the decline in hogs.

PRICE INDEXES FOR MONTH ENDING JULY 1

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available months:

Farm Products
(Prices at the farm)

	June 1922	May 1923	June 1923	Month Trend
Cotton	164	207	211	-- Higher
Corn	105	143	146	-- Higher
Wheat	131	136	121	-- Lower
Hay	108	118	106	-- Lower
Potatoes	160	119	129	-- Higher
Beef cattle	99	98	99	-- Same
Hogs	122	95	85	-- Lower
Eggs	106	113	108	-- Lower
Butter	121	143	138	-- Lower
Wool	196	250	248	-- Same

Commodity Groups
(Wholesale Prices)

	June 1922	May 1923	June 1923	Month Trend
Farm products	131	139	138	-- Lower
Food, etc.	140	144	142	-- Lower
Cloths & clothing	179	201	198	-- Lower
Fuel & lighting	225	190	186	-- Lower
Metal & met. products	120	152	148	-- Lower
Bldg. materials	167	202	194	-- Lower
Chemicals, etc.	122	134	131	-- Lower
House-furnishing goods	176	187	187	-- Same
All commodities	150	156	153	-- Lower

RELATIVE PURCHASING POWER

(At June 1923 Farm Prices)

1913 = 100

Of a Unit of:

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	138	95	79	69	84
Cloths, etc.	107	74	61	54	65
Fuel, etc.	113	78	65	57	69
Metals, etc.	142	99	82	72	87
Bldg. materials	109	75	62	55	67
House-furnishing goods	113	78	65	57	69

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	65	56	71	90	162
Cloths, etc.	50	43	55	70	125
Fuel, etc.	53	46	58	74	133
Metals, etc.	67	57	73	93	168
Bldg. materials	51	44	56	71	128
House-furnishing goods	53	45	58	74	133

The purchasing power indexes worked lower during June in the case of wheat and hay.

There was also a drop in hogs. The other main livestock products were substantially unchanged.

SUMMARY OF PRICE INDEX NUMBERS

1913 = 100

The "purchasing power" index given below shows the trend of relationship between prices of agricultural and non-agricultural commodities. It may be considered a reasonably good measure of such relationship.

In the following, farm price indexes are made up by this Bureau; wholesale prices are the Department of Labor indexes. Purchasing power represents relationship between prices, at the farm, of unit quantities of farm products and wholesale prices of unit quantities of commodities other than farm products.

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock combined	Wholesale price All Commodities	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100	100
1914	108	103	106	98	94	112
1915	110	95	102	101	97	106
1916	124	111	118	127	132	89
1917	208	164	186	177	176	106
1918	224	192	208	194	186	112
1919	234	198	216	206	195	111
1920	238	168	203	226	234	86
1921	109	107	108	147	161	67
1922	113	111	112	149	163	69
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<u>1922</u>						
January	98	95	96	138	150	65
February	105	108	106	141	149	71
March	112	117	114	142	150	76
April	115	115	115	143	153	75
May	118	118	118	148	161	73
June	119	119	119	150	164	72
July	118	119	118	155	172	69
August	114	112	113	155	176	64
September	110	109	110	153	170	64
October	110	110	110	154	169	65
November	118	105	112	156	169	66
December	123	104	114	156	168	68
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<u>1923</u>						
January	126	106	116	156	170	68
February	130	107	118	157	172	69
March	134	106	120	159	175	69
April	139	107	123	159	176	70
May	140	105	123	156	172	71
June	139	100	120	153	168	71

* "All commodities", excluding farm products and food.

Expressed in terms of other products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets. Compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. Bu.	CORN Receipts Th. Bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	569,340
1922 Jan.	18,372	52,097	4,278	1,628	1,835	41,697
" Feb.	21,151	58,330	3,612	1,416	1,399	38,894
" Mar.	19,729	31,035	3,411	1,622	1,465	44,919
" Apr.	15,536	14,552	3,067	1,470	1,227	42,694
" May	29,015	27,083	3,737	1,878	1,692	68,893
" June	19,753	31,157	3,776	1,759	1,700	93,139
" July	42,128	25,975	2,980	1,709	1,677	92,829
" Aug.	59,649	24,380	3,037	2,149	1,951	62,494
" Sept.	56,992	35,296	3,062	2,373	2,303	46,419
" Oct.	49,124	32,477	3,682	2,936	3,311	41,351
" Nov.	41,510	23,925	4,421	2,427	2,288	38,678
" Dec.	46,002	37,466	5,004	1,825	1,516	38,475
" Total	418,961	393,773	44,067	23,192	22,364	650,482
1923 Jan.	38,002	38,371	5,306	1,876	1,636	48,697
" Feb.	20,176	30,518	4,492	1,427	1,366	39,877
" Mar.	22,081	24,710	4,926	1,502	1,430	49,881
" Apr.	21,785	16,836	4,318	1,670	1,447	48,881
" May	17,457	10,840	4,524	1,900	1,794	55,459
" June	18,217	14,610	4,209	1,636	1,452	76,403

The flow of grain to market indicated seasonal cleaning-up of stocks.

Meat animals decreased below the May runs and receipts were below June of last year. Hogs were the significant exception. Butter receipts showed seasonal increase, but below last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Commerce reports by Division of Statistical Research, of this Bureau.

Month	WHEAT	TOBACCO 1,000 Bushels	BACON,	LARD 1,000 Pounds	TOTAL* MEATS 1,000 Pounds	COTTON
	including flour		HAMS AND SHOULDERS 1,000 Pounds			running bales 1,000 Bales
1922 January	15,010	32,265	48,120	73,194	55,777	459
" February	10,992	25,845	66,003	75,520	62,647	326
" March	14,374	32,966	54,763	64,377	62,231	452
" April	10,449	40,189	43,254	42,459	48,828	602
" May	14,267	39,844	44,058	50,817	50,196	457
" June	18,200	30,323	55,621	57,249	64,124	478
" July	19,124	32,318	59,252	66,058	67,886	365
" August	38,964	28,957	51,353	68,907	60,443	269
" September	31,839	33,101	51,040	61,120	60,863	366
" October	25,077	58,353	50,940	66,333	60,651	798
" November	17,578	39,786	51,407	62,321	63,357	855
" December	16,428	36,954	65,642	78,596	76,951	606
1923 January	12,519	41,651	74,432	107,786	86,938	470
" February	12,197	25,978	64,488	89,055	75,023	360
" March	10,725	31,640	66,441	109,187	75,933	318
" April	10,195	40,185	68,528	85,475	77,963	260
" May	14,396	28,420	64,556	93,199	72,379	160
" June	12,881	49,730	59,390	64,605	68,733	215
12 mos. July-July						
1921-22	279,407	451,887	622,191	812,380	720,894	6,516
Same period						
1922-23	221,923	447,078	727,468	952,641	846,998	5,066

Export movement decreased in June in case of the products noted except tobacco and cotton.

The totals for the "crop year" show that less wheat and cotton but considerably more pork, lard, and meats went out of the country than the year previous.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders, fresh, canned, and pickled pork, mutton and lamb.

THE COLD STORAGE SITUATION

July 1 holdings (Figures show nearest thousand, three ciphers omitted):

<u>Commodity</u>	<u>5 Year Average</u>	<u>July 1, 1922</u>	<u>June 1, 1923</u>	<u>July 1, 1923</u>
Creamery butter, lbs.	64,245	67,410	10,112	62,770
American cheese, lbs.	33,057	33,130	17,507	36,226
Case eggs, cases	7,661	9,811	7,890	10,208
Total poultry, lbs.	30,752	34,837	57,274	49,069
Total beef, lbs.	127,413	50,706	65,023	57,237
Total pork, lbs.	868,272	707,384	908,771	907,098
Lard, lbs.	150,375	154,254	84,530	123,673
Lamb & mutton, lbs.	5,291	3,720	4,445	3,547
Total meats, lbs.	1,080,878	816,688	1,045,224	1,039,233

Dairy products and eggs moved into storage in volume. Butter stocks still slightly below and eggs above average.

Meats declined slightly during June. Stocks of pork now higher than average, however.

Pork stocks considerably above same date last year.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

	1922 June	1923 May	1923 June	Month's Trend
<u>Production</u>				
Pig iron (Thou. tons)	2,361	3,868	3,668	Decrease
Bituminous coal (Thou. tons)	-----	46,055	-----	-----
Cement (Thou. barrels)	-----	12,910	-----	-----
Automobiles shipped (Thou. carloads)	34	46	41	Decrease
<u>Consumption</u>				
Cotton by mills (Thou. bales)	509	621	542	Decrease
Unfilled orders Steel Corp. (Thou. T.)	5,636	6,981	6,386	Decrease
Building contracts (Millions dollars)	-----	-----	-----	-----
Hogs slaughtered (Thousands)	4,046	3,072	4,303	Increase
Cattle "	724	1,173	727	Decrease
Sheep "	1,028	888	914	Increase
<u>Movements</u>				
Bank clearings (N.Y.) (Billions dollars)	20	19.2	18.7	Decrease
Car loadings (Weekly av., Thousands)	--	975	1,011	Increase
Mail order sales (Thou. dollars)	19,565	29,261	24,945	Decrease
Men employed, 1428 firms (Thousands)	1,722	2,048	2,041	Same
Unemployment in Pa. (Thousands)	125	9	9	Same
Interest rate, Coml. Paper (60-90D)	4.05	5.13	4.98	Decline
Loans and discounts, F.R.M. banks (Millions dollars)	10,783	11,840	11,850	About same
Retail Food Price Index (Dept. Labor)	141	143	144	Slightly higher
Wholesale Price Index (Dept. Labor)	150	156	153	Lower
Av. price 25 industrial stocks (dollars)	97	108	106	Lower

Activity in building, automobiles, and textiles has somewhat slowed down. However, business is still on a heavy basis, employment is full, wages are advancing, if anything.

The domestic consumption of farm products has been on a high plane all year and still promises well for fall.

The trend of wholesale prices is slightly downward. The easy money conditions have been matched by a cautious attitude on the part of business men which so far seems to have kept production in reasonably close relationship to actual demand.

THE FRUIT AND VEGETABLE OUTLOOK

G. B. Fiske, Division Fruits and Vegetables, B. A. E.

Carlot supplies of leading fruits and vegetables have been lighter and prices 10 to 20 per cent higher than last season. Smaller crops and better general condition of business is the usual explanation. The season's potato shipments are less by one-fourth, and price the last half of July \$1.50 per barrel higher than a year ago; melon shipments one-third less and price averaging about \$100 per car higher; onion shipments one-third less and price \$1 per crate higher; cantaloupe shipments one-third less and price 25¢ to \$3 higher; apple shipments have been one-fourth less and prices 25 to 50¢ per bushel higher. The late opening of the fruit and vegetable season affects the comparison. Shipments of most fruits and vegetables are now close to the usual midsummer weekly volume. As compared with June prices, the July range shows most changes downward, owing to increasing supplies. Potatoes, melons and peaches declined quite sharply.

Potatoes

The market outlook for potatoes is far more favorable to producers than in 1922. Acreage was 10 per cent less in the United States and 5 per cent less in Canada, and the indicated yield is short in both countries. The July forecast shows probable yield in the United States 70 million bushels below last season's estimate. The shortage is notable in the important second early sections of New Jersey, Nebraska, and Idaho, all of which report less than half the production of last season. A dozen of the important second early sections which are the chief sources of carlot supplies in late summer show 9,877,000 bushels compared with 16,819,000 last season. Early potato shipments have been only about two-thirds those of the same period last year and slightly less than in 1921. Accordingly the late or main crop States are likely to begin shipping early and the movement should continue active because of crop shortage in many of the great consuming States. In seasons when the crops are well below average production, the outlook is favorable for higher winter prices and if recent ^{active} crop forecasts are confirmed later, there is likely to be fairly/demand from dealers for potatoes to go into storage.

Apples

The July forecast for the commercial apple crop is 33,000,000 barrels, which would be 3,000,000 ahead of last year and 7,000,000 above the 5-year average. The Eastern group of apple States taken

together shows about the same probable output as last season. Early reports show a large proportion of the standard long-keeping kinds which would tend to an even, well-sustained supply. Commercial increase was mainly in the Northwest. Washington is again the leading apple State by present indications. The old apple season closed with shipments close to 112,000 cars, or more than 2,700 cars ahead of last season and 3,000 ahead of the 1920-21 season. More than half were from New York, 30,046, and Washington 28,313 cars. Early apples were late in starting to market, but are now coming in full volume from California, Illinois and Indiana. The price is declining as shipments increase, but Eastern Transparents opened the season at \$2.50-\$3 per bushel compared with \$1.50-\$2 last season.

Miscellaneous

Early watermelons were hardly more than half a crop. Cantaloupe production also was cut down, and prices have been high at times, but estimated yields in the later shipping States promise nearly as many melons and cantaloupes as last season. While the peach crop is estimated 20 per cent less this season the reduction was mainly in the South. The late summer and fall markets are likely to be as well supplied as last season. Prices lately have ruled about 50¢ per bushel lower than a year ago owing to heavy supplies from Georgia and California. The estimated pear crop is well below last year and about midway in quantity between those of the past two seasons. New York, the principal eastern pear State, has only about half as many as in 1922. Condition is rather low for the two standard market varieties, Bartlett and Kieffer. Early markets are being liberally supplied from California where there is usually a fruit surplus available for shipment when the general markets outbid the canneries. Onions were a light crop in the South. The July truck estimate show the intermediate shipping States also 140,000 bushels short with notable decrease in New Jersey and Iowa partly offset by gains in Washington, Virginia and Kentucky. The combined late summer output should nearly equal that of a year ago. Prices so far have been high. Main crop cabbage shows irregular decrease in acreage and yield in leading producing States, indicating that the extremely heavy output of last season is not to be duplicated. Lettuce is one of the few vegetables in more liberal supply than last season owing to heavy shipments from the Far West.

THE AGRICULTURAL OUTLOOK

The committee of economists and statisticians called by Secretary of Agriculture Wallace to consider the foreign and domestic demand for farm products, and particularly the wheat, corn and hog situation, issued the following report Thursday, July 12. (This is an abstract of the full report):

Foreign Demand

The foreign demand for American foodstuffs during the current marketing season will apparently not be as great as it was a year ago. Unless the foreign situation is very speedily cleared up and a definite turn for the better takes place in Europe, it appears not improbable that Europe will have less buying power in our markets during the next crop year than she had during the last. It needs to be understood that foreign demand is not measured merely by volume of exports. The price at which this demand will be forthcoming is the important consideration.

The principal reasons for the probable reduction in foreign demand are: First, European food production is somewhat larger than last year, due principally to much more favorable crop conditions this year than last, while there is no apparent decline in the output of producing regions that compete with the United States for the European market.

Second: Europe's purchasing power this year is likely to be somewhat smaller than last year. While manufactured exports for the first half year have been appreciably larger than a year ago, the prospect for the second half year is less favorable. There has developed a slight recession of business in leading commercial countries, and the foreign situation has lately been producing serious economic consequences. European earnings from shipping and other services show little improvement; while credits extended to European countries are much below those of a year ago.

Domestic Demand.

In the United States we have had a very high level of industrial activity, distribution, and consumption. With certain exceptions, there is little evidence thus far of any considerable accumulation of goods, either on the shelves of merchants or in the jobbers' and producers' hands; and the facts as to the high level of production are clear. It seems clear that the home demand has been near to if not at a maximum. We can scarcely consume more of wheat and meat and other farm products than we have in the last year or more. The farmer can hardly now expect any immediate increase in the domestic demand. But with the present full volume of employment and high wages, there seems no prospect during the remainder of 1923 for a decrease in do-

estic demand for farm produce.

Furthermore, our credit position is unusually strong and more than equal to any demands which may be made upon it in the crop moving season. There is no present prospect of any money stringency, or a rise in interest rates sufficient to affect business or the farmer unfavorably.

Changes in general business conditions affect the domestic demand for various agricultural products in differing degrees. Should a depression develop in urban industries it follows, then, that the farmer will feel the effects to some extent. However, the probability of a severe depression in the near future seems to be slight. Any lessening in the industrial activity that may occur will, however, doubtless be accompanied by a reduced demand for choice cuts of meat, early vegetables, the more expensive fruits, milk, butter, etc. On the other hand, it will not decrease but may even increase the demand for the cheaper grades of food.

During the last five years certain forces have combined to increase the supply^{\$}/_{of} that the price level of farm products has been kept below that of prices for other commodities. This situation has generated offsetting forces tending eventually to restore the former equilibrium, thus improving the position of the farmer. Among such forces is the migration of agricultural population to the city. There has recently been a distinct acceleration in this movement. This movement will, in the long run, add to the urban demand for foodstuffs and will eventually lessen the supply of farm produce, thus tending to establish a more normal relationship between agricultural and other prices.

The Corn-Hog Situation.

Marketings of the 1922 spring pig crop (just completed) were 30 per cent above the 1921 crop and 60 per cent above the pre-war. From the indications of the special government hog report of June, the 1923 crop is fully as large as last year and there are prospects of continued heavy hog production well into the summer of 1924. This heavy hog production has wiped out the unusual corn surpluses resulting from the three large corn crops of 1920, 1921, and 1922. Unless there be a marked improvement in the 1923 corn crop, and in view of probable continued heavy hog production, a corn shortage may develop by the summer of 1924.

The corn-hog ratio declined from 18 to 8 bushels from the spring of 1922 to the midsummer of 1923. It is now 25 per cent below average, and from present indications a ratio unfavorable to hogs will last into 1924.

During the first five months of 1923 the European nations have taken a decidedly larger quantity of our pork products at a higher

price than seemed probable last January. In addition, favorable industrial conditions in the United States have resulted in the consumption of an unusually large quantity of pork at home which limited the decline.

The ability of the American public to continue the consumption of such large quantities of pork products without a serious price decline from the present level depends upon the maintenance of favorable industrial conditions.

Neither the corn situation, the prospective European demand, nor the domestic industrial outlook warrants the maintenance of the very heavy hog production of the past year.

The Wheat Situation.

The expansion in the wheat area of the chief exporting countries coupled with the decreased buying power of western Europe is responsible for the price situation which now prevails. This committee is less impressed with the immediate wheat supply situation than it is with the future possibilities in case present exporting countries fail to readjust their acreage to offset increasing bread-grain production in Europe.

Owing to the world war there was an enormous increase in the wheat acreage of the five principal exporting countries of the world outside of Russia and the Danubian countries. Since the peak of war production these exporting countries have decreased their acreage very slightly and are now growing 28 million more acres of wheat than the pre-war average. In view of the long-time prospects of the return of Russia and the Danubian countries as factors in the world wheat trade, as well as the increase in other exporting countries mentioned above, the American winter wheat grower should take the first positive step this fall to adjust the winter wheat acreage in accordance with this situation. There has been some reduction in the winter wheat acreage of the United States due to adverse weather conditions rather than to a change of planting policy on the part of the producers. However, the expansion remains about 14 million acres above the pre-war average.

The best data available indicate a current wheat crop for the northern hemisphere moderately larger than that for 1922 for the same territory. On the other hand, the carryover stocks for both importing and exporting countries are apparently not greatly changed from last year. The increase represents only a small percentage and might be wiped out entirely or increased by later developments in North American spring wheat or in the 1923-24 coming harvests in Australia and Argentina. Russia will not export grain in large quantities in the immediate future.

The facts that have been presented in this summary of the world agricultural outlook are well known in the trade and have been discounted in the markets.